

# MEETING OF THE CALIFORNIA STATE BOARD OF FOOD AND AGRICULTURE

(ALL MEETINGS OPEN TO THE GENERAL PUBLIC)

Location: CA Dept of Food & Agriculture  
Main Auditorium  
1220 N Street  
Sacramento, California 95814

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## MEETING MINUTES FOR OCTOBER 25, 2006

Item  
No.

### (1) CALL TO ORDER

- (a) The meeting was called to order Wednesday, October 25, at approximately 9:00 a.m. Al Montna, President of the State Board of Food and Agriculture presiding.
- (b) Welcoming remarks provided by Al Montna.
- (c) Pledge of Allegiance.

### (2) ROLL CALL

Roll call taken by Helen Lopez, Executive Director. A quorum was present.

#### **Present:**

Wayne Bidlack	Tom Deardorff	Al Montna
Ashley Boren	Reg Gomes	Adan Ortega
Ann Bacchetti-Silva	Luawanna Hallstrom	
Drue Brown	William Moncovich	

#### **Absent:**

Craig McNamara	Niaz Mohamed	Don Bransford
Marvin Meyers	Karen Ross	

### (3) APPROVAL OF MINUTES – August 30, 2006 & September 27, 2006

**MOTION:** Board Member Reg Gomes moved to approve the minutes of the August 30, 2006 and September 27, 2006 meetings. The motion was seconded by Board Member Adan Ortega and a unanimous vote carried the motion.

### (4) OPENING REMARKS AND INTRODUCTION

President Al Montna welcomed everyone and extended appreciation to Mr. Michael Barr, President, CA Agricultural Leadership Foundation; Adan Ortega, State Board Member; and Helen Lopez, State Board Executive Director for their outstanding effort in coordinating and organizing this extremely interesting and vital program, a hearing

regarding agriculture as a strategic resource. Board member Adan Ortega has been the champion of this effort since the day he joined the Board, pointing out the value of this tremendous issue. President Montna then welcomed comments from Secretary Kawamura.

Secretary Kawamura also emphasized the importance of the meeting to establish the foundation of a common language that links the Board to all the stakeholders in the country and California of why agriculture is important to them and to the national structure of society. The common theme that agriculture is important because of its economic contribution to a state or to a nation is well understood by those in the business of agriculture; but the fact that it carries over well beyond economic contribution is something that has been missing in the ability to have a broader base of support. As we head into this next year and a new farm bill being considered, one focus of the Board, the Department and the Governor is the concept of what is a farm bill, what does it mean to the country, is it a cost, an investment, and is it something much larger than just an exercise addressed every six years. California is a very large part of the agricultural component to this nation and to participate at the national level requires all fifty-three congressional delegates and senators be actively engaged in farm policy for the nation through the State of California. There definitely needs to be a common language and a common base of understanding for what it means for the State to participate in a national discussion on agriculture. Part of what is being done today is to establish a baseline of understanding of the totality of agriculture and its contribution to the Nation.

## **(5) OTHER BUSINESS**

Secretary Kawamura introduced two of three newly appointed Board members: Wayne Bidlack, Dean of the College of Agriculture at CA State Polytechnic University in Pomona, and Mr. Thomas Deardorff II, President of Deardorff Family Farms. He followed the introductions by a swearing in ceremony to officially recognize them as members of the CA State Board of Food & Agriculture. President Montna welcomed the new members and announced the appointment of Donald Bransford who is an Almond, Prune, and Rice farmer in Northern California. Mr. Bransford is also a tremendous water leader and brings much needed water expertise to the Board.

Board President Al Montna indicated the Governor has asked the Board to endorse and adopt his 25x25 Resolution. The Board received a draft resolution (drafted by the Board) in their packets and has reviewed the resolution. What the 25x25 Resolution does, is the vision of the 25x25 Alliance, which Secretary Kawamura sets on the steering committee, for America's farms, forests and ranches to provide 25% of the total energy consumed in the United States by continually producing safe and abundant affordable food and feed and fiber. The resolution is that the Board endorses the vision of the 25x25 and commences to work collaboratively with renewal energy champions to further explore and define the over reaching contributions which the agricultural and forestry secretaries can make as producers of energy and develop an action plan to bring this vision to life.

**MOTION: Board Member Ashley Boren moved to approve, endorse, and adopt the 25x25 Resolution. The motion was seconded by Board Member Bill Moncovich and a unanimous vote carried the motion.**

*"Ladies and Gentlemen, Members of the Board, Distinguished Guests & Panel Participants, and Members of the Public; today, the California State Board of Food &*

*Agriculture will consider factors that can facilitate consideration of agriculture as a strategic resource of the nation with hopes of developing a new policy framework that can ensure clean water, clean air, open space, available energy, and agriculture projections to sustain human and economic needs of the State and the Nation. The California State Board of Food & Agriculture has conducted hearings during 2005 and 2006 to determine how agriculture is being considered in the California regulatory policies affecting air, water, land, energy, and labor. All considered strategic resources in their own right and subject to environmental and economic impact studies. In a series of resolutions, passed by the Board during the past two years, to advise the California Secretary of Agriculture and the Governor the following factors effecting agriculture in the State have been cited: Water Policy debates, with few exceptions, do not take into account how the State's agricultural capacity can be sustained favoring the replacement of open space dedicated to agriculture with urbanization. Air Quality Policy is encouraging urban growth as restrictive rulings drive farming out. California's agriculture potential contributions in providing bio-energy sources face obstacles favoring imported alternative energy supplies. Labor capacity for California agriculture in all skill levels is in a severe decline. The impacts in climate change to agriculture capacity are not being considered in policy forums involving water, air quality, and land policies of the State. The U.S. Congressional Farm Bill must consider funding factors related to sustaining open space and the production of crops essential to human health and energy in most populated States such as California. Consideration should be given to sustaining agriculture as a strategic resource on par with clean water, clean air, open space, and energy sufficiency. A previous study by Cornell University in 1994, before most of us were thinking about factors such as climate change, projected that only 6/10<sup>th</sup> (.6) acres of farmland would be available to grown food for each American in 2050. As proposed to the 1.8 acre capacity available today. At least 1.2 acres per person is required in order to maintain current American dietary standards. Food prices are projected to increase 3 to 5 fold during that period (reminder, we are the cheapest to feed people in the world). This is a startling scenario that we have no excuses for overlooking, this is why today, I would like to introduce the Honorable Leon Panetta who will create the context for us to consider through this meeting."*

***The Honorable Leon Panetta***

***Former White House Chief of Staff and Congressman and currently, The Leon & Sylvia Panetta Institute for Public Policy***

"Thank you very much Mr. Chairman, and thanks to all of you for the invitation to share some thoughts with you about the topic of focus for today. I am honored to be here, first of all because I want to commend all of you for the dedication of service you provide with regard to agriculture. I know the time it takes, I know the work that it takes, but I can tell all of you that it is extremely important to be able to have a diverse group involved with the industry to be able to advise on policy for the future. I am honored for several reasons as someone who has been involved with farming. My father was a farmer and he was also an immigrant like so many others in this country. My son looked up the manifest when my father came to this country from Italy and next to my father's name was occupation: "Peasant" which was something that was used a lot for those who came into this country, but essentially meant he was someone who worked on a farm. In any event, he bought land in Carmel Valley and planted a walnut orchard and my earliest recollection was obviously working on that orchard and I continue to work that orchard. It is 12 acres in Carmel Valley and is probably the last working orchard in Carmel Valley. I often tell the story (as many of you know of walnuts) back in those days, my father often used an open pole to shake each of the branches and my brother and I would then pick up the walnuts as they fall from the branches. When I got elected to Congress,

my father said, "You know you've been well trained to go to Washington because you've been dodging nuts all your life." He was right! My wife was involved in agriculture as well. Her family is from Petaluma and raised chickens (a fading industry in that part of the world) as well as dairy. So, both of us, I think, have a great appreciation for the values that are involved with regards to farming. Secondly, and as many of you know, I was involved in agriculture in Washington as a member of the agricultural committee for sixteen years. I served on several of the committees and as chair on one of the agricultural subcommittees and went through four farm bills during the time I was in Congress and then, when I went to the Administration as Director and then, as Chief of Staff, worked on the fifth farm bill as well. So, I have had a lot of experience working with different aspects of agriculture throughout this country. Lastly, I am honored because this Board represents, I think, one of the most important industries in California, as all of you know. We are looking at over \$31 Billion in sales. That is the greatest in the nation in terms of receipts that comes in from agriculture. In addition to that, obviously there is about a million jobs plus hosts of more than \$7 billion in exports. So, it is an industry that remains vital to our economy, it remains vital to the families involved, as well as to the workers, and it remains vital to our future.

What I want to talk about today is obviously the future of agriculture and how we can adjust our policies to try to relate to that future. This is a nation that was founded on those who work the land. If you are one of those who read books on our forefathers, you know that many of them were involved with the land, such as Jefferson and Washington. Jefferson, in particular, had a vision of the rural democracy in which people would live on the farms and be able to enjoy that part of their lives and enjoy a democracy. As you know, many of them went west and carved out the wilderness areas to farm. It wasn't that long ago, frankly, where a vast majority of families in this country lived on a farm. At the turn of the century, a large number of families lived on a farm. That has changed; today 98% of the population is not involved in the production of agriculture. So, times have changed, but so has agriculture. One of the great strength of agriculture is the fact that we have to adapt to change and if we don't adapt, we basically get lost. We have adapted from the plow to the reaper, from the cotton gin to the combine, from the corner market to a world market. We have to change. Farmers by nature (having been raised on a farm), like a predicable situation, they like to be able to know that if they work hard, have a crop, and a certain (a dissent) price for the fruits of their work. But, they also know that they have to be ready for crisis and change; whether, it's from the weather, whether it's from markets, or whether, it's from technology. I've often said, in our democracy, we govern either by leadership or crisis. If leadership is there and willing to take risk involved with leadership and make tough decisions, then we can avoid crisis. But, if leadership is not there for whatever reason, then make no mistake about it, crisis will drive policy. I think too often, today, policy is largely driven by crisis. We have a number of those problems that ultimately, when we deal with it by crisis, we pay a hell of a price, not only in lost jobs and lost production, but also in families that are hurt. As we go into the 21<sup>st</sup> century, and that's really what you are focusing on, is this century and how we adapt to the changes in the century; we are presented with a set of unique challenges that our nation has to face, challenges that are really unprecedented. We are familiar with those challenges: terrorism, deficits, health care, global warming, energy, immigration, and all of them in some way impact on agriculture. All of these challenges that confront us for the future, in their own way impact seriously on agriculture and the future of agriculture. I am one who believes, we have a responsibility (whether democrats, republicans, conservatives, or liberals) to our children not to allow crisis to drive policy, but to exercise leadership. We have a responsibility (certainly when it comes to agriculture) to bring agriculture into the 21<sup>st</sup> century and confront some of these

challenges that face us, and the strategic needs that are going to face us in the future. Let me mention some of those: (1) we are dealing with a global world, Tom Freedmen's book "Flat World" basically makes the point that we are dealing with a world that is going to become increasingly competitive, it is going to be a world that is shrunk by technology in which countries throughout the world are going to be able to compete pretty much on the same basis. Our children are going to have to be better educated; they are going to have to have the skills to compete in that kind of world. In agriculture, we are going to face tough competition, we already face some tough competition in countries like China, Brazil, India, South Korea, European Union, and we are going to see the developing nations that begin to engage in marketing in that global world that will present additional competition. We can't run away from that, the United States always has had a competitive edge when it comes to trade. The reason we've always had a competitive edge is because we produce a better product. This is a time when we cannot fear trade, we cannot run away and put our heads in the ground and hope all of this will pass by because it is a changed world, this is the global world. We are going to have to fight, obviously to ensure that the trade agreements that we negotiate are fair, that they are balanced, that they are predictable, that they are equitable, and most of all, that they are enforceable. We need to have a WTO trade agreement. Those negotiations are not going very well, but, I think we are continuing to be at the table and we will continue those negotiations. I think we have the right bargaining position. The position we've taken is that further limits on domestic support or reduce export subsidies will depend on whether or not we get a substantial expansion for market access in these countries and I think that makes sense. As I said, our products are the best in the world and I think once we can get into those markets we will be able to compete, but you have to open up those markets. That is not easy, I've been engaged in trade negotiations and I know what it's like. We may say this is a global world but when you are dealing with representatives at the table representing their own countries and nations, and so we've got to be able to engage and it's going to be tough. It cannot happen by bi-lateral agreements, I know we can develop bi-lateral agreements and it's always easier to deal one-on-one with different nations. But, quite frankly, bi-lateral agreements are not going to get you the kind of cuts and tariffs and market access that you need on a global scale. And so, it is essential that we continue to negotiate and that we try to work towards a world trade agreement that can establish some ground rules for a global world. (2) In that world, this takes me to the second point, science is going to be critical to the future of agriculture. Science and research are absolutely critical to our ability to produce that product that will give us that competitive edge. Whether we are talking about that science that has to deal with genetic mutation, whether we are talking about the whole issue of water, and water usage, whether we are talking about pesticides, and whether we are talking about global warming, protecting soils and improving water and air quality, being able to enhance wildlife habitats, conservation; all of that depends on science and research. I've been involved as chairman of the OSHA commission in which we've identified some the crisis affecting the ocean and my point has always been you can't confront those issues without science. You need to have the science that's telling you what's going on, what's impacting it? It's true in agriculture, you can't develop the kind of products we have to develop and face the kind of issues we are facing without the help of science and research, it's fundamental to our ability to success. The fact is that funding for research has largely been flat since the 1970's, we've not really seen the trends of what we are facing, the challenges we are facing. If you look at funding from the 1970's, when it comes to research, it's largely flat, it hasn't even kept up with inflation increases. The other problem is something I've witnessed myself, is that too often funds are distributed on an earmark basis, as opposed to targeting areas of need. I said that as someone who brought home earmark funds to my district. But, I do think that ultimately, if we are

going to face, if we are going to make the kind of investment that you have to make, in some of these changes for the future, we are going to have to dedicate large funds to areas of science and research. It has been mentioned before and I believe, I think we need a national institute for food and agriculture that can bring together that kind of funding. Food & Agriculture sciences are going to have to be considered biological disciplines in the future. We are talking about a changing area of science and we are talking about biological disciplines. We are going to have to contribute to the improvements in health, prevention, mitigation of bio-terrorism, human welfare, and the kind of social stability in developing countries and environmental protection that are important to the future. All of this will involve science and research and the very best of both. We can't do this by simply earmarking funds to specific areas, it will be done by large commitments of investment to the kind of research that the national science foundation does with regards to competitive grants. We must enter a different era with regards to how we fund science; otherwise, we will never compete with what's going on in the rest of the world. The area that is obviously a great example of how science and research can really help is in the area of energy, as you all know. I think the 25x25 approach that this State is involved in is great. It's an interesting area, because it's not just an area that depends on research and science; this is an area where farmers themselves can play a critical role in what the 21<sup>st</sup> century looks like and what their business looks like in the 21<sup>st</sup> century. Agriculture is obviously impacted by the rising costs of fossil fuels; farmers now have the capacity to in fact meet and sustain the goal of energy independence within these next two decades. This is reality; we could actually develop that kind of independence using some of the great products that come out of agriculture. Bio-based fuels and products come from agriculture and forestry products. Ethanol from corn, switch grass, bio-diesel for soybean, motor oils now from new energy crops that are being developed. These products are not only efficient, but, cost effective. These are products that can improve human health and the environment. Not only will U.S. farms be growing the raw materials for the fuels of the future; but in many ways, they will also bring with them the industries and the jobs that help process those fuels for the future. This is a real potential in terms of our economy and in terms of our future. The next area is something that we are all familiar with as well and it involves science again. That is the area of food safety, which I think is going to continue to be one of the critical issues in the 21<sup>st</sup> century. As many of you know, we are seeing the consequences of an e-coli outbreak in Monterey in the Salinas valley with spinach and lettuce and those industries are suffering literally millions of dollars in damage as a result of that. That is not just going to be a unique phenomenon, we are going to see that happen time and time again and we need to be prepared for that, otherwise, it can do tremendous damage to the industry. Despite all of the interventions that are involved, research, regular checking and surveillance, these outbreaks are going to continue to occur with devastating consequences to the victims, to the industry, and obviously to the workers. We are seeing the emergence of food born bacteria that is resistant to treatment. We are seeing evasive species that are coming into this country that we haven't dealt with before. We are seeing problems that are resulting from the increase of indifferent forms of salmonella, of e-coli bacteria strains that are going to require, not only the kind of investment I've talked about, but additional sampling and testing and the kind of analytical protocol to prevent the kind of things that are happening, plus we are going to have to provide disaster assistance that is immediate to those families impacted. We have to develop a whole different kind of paradigm in dealing with these kinds of situations. One thing that it is going to require and it's something that I've seen at the federal level and obviously it's important at the state level, it's going to require greater coordination between the agencies that have the responsibility. Too often, agencies operate on the basis that they are serving their own turf, their own jurisdictions, so they'll go off and do their own thing. What is needed is

to establish are teams that are made up of different agencies and departments that have responsibilities in this area that operate as a team and have a central person involved who controls it. If there is any lesson that comes out of Katrina is the lack of coordination. If facing a disaster the most important thing is to develop a team, a task force approach that has a single person in charge that can then drive the different agencies involved. Otherwise, everything evaporates and people start pointing fingers.

The last thing to mention is important, it was an area that was mentioned, but it continues to be one that we don't deal with in this country and that is immigration reform. We allow crisis to drive the issue and we allow emotion to drive the issue and as a result we pay a price. What we need is leadership and common sense to deal with the reality of what immigration is all about. For the sake of our own tranquility, national security, and agriculture, it needs a comprehensive approach. There is no silver bullet, I have been involved with the 1987 bill, the immigration reform bill, and we had to negotiate for three months in a row to develop the approach. When we did it, it included republicans and democrats working in a room. We passed that bill overwhelmingly and it was signed by President Reagan. It is going to take that kind of willingness to sit down and develop an approach. Obviously, enforcement is important both here and at the border, there has to be a temporary worker program developed, there is no way to get around that. There also has to be legalization of the families working here. For the sake of the agricultural industry and the country, we have to develop some kind of comprehensive immigration reform bill.

These are some of the strategic needs and issues that obviously this nation is going to have to confront. Not only because it is important to the future of America, but certainly it is important to the future of agriculture. A lot of this will be debated in the context of the farm bill. There are a lot of issues that are part of a farm bill: trade, support prices, conservation, credit programs, disaster programs, crop insurance, rural development, and nutrition programs. All of that is debated within the context of a farm bill. All of this is going to have to be debated in light of the strategic problems and challenges that I've just discussed. So it is really important that congress is going to have to take on some innovative approaches with regard to a farm bill. The worst tragedy would be if congress simply extended the current bill, which would be the easy way out, in the politics of Washington there will be a lot of push to do that. I really do think that they have an obligation to confront some of these major challenges that are facing agriculture for the future. We can't confront these challenges for the future by relying on the past. We have to be innovative enough to develop the kind of approaches that are important for the future. I am well aware of the politics of this issue, we went through the 1996 farm bill, and there was a hope at the time that you could suddenly make a transition in farming in this country. The approach was simply to provide additional support prices, additional commodities support in exchange for a gradual reduction in support prices in the future. I remember telling Pat Roberts, one of the authors, the main problem with this is that you are creating a huge incentive to become more dependent, once that incentive is created it is very hard to time it off in the future and that's pretty much what happened, unfortunately. All the hope of that farm bill, that we could be able to move gradually towards free market farming in this country just failed to be accomplished. And so, I understand how tough it is going to be. But, if we are to confront these issues that I've talked about, people in congress are going to have to exercise leadership and it is going to have to be non-partisan and they are going to have to make some tough choices. I think that's the responsibility we owe to the future and to some extent just let me recommend that the State can't just simply wait for the Federal government to get their act together, the fact is the State has to basically take on some of these issue on your own as you have.

It is important to exercise leadership and there may come a time when greater leadership will come out of State government then frankly out of Federal government on many of these issues. I really commend you for having this forum; I commend you for taking on these issues. It is about the future and about fighting for what's right. I often tell the story about the Rabbi and the Priest who decided they would get to know each other a little better, so one evening they went to a boxing match and just before the bell rang, one boxer made the sign of the cross. The Rabbi nudged the Priest and said what does that mean, the Priest said it doesn't mean a damn thing if you can't fight. We bless ourselves with the hope that things are going to be fine in agriculture, and frankly it doesn't mean a damn thing unless we're willing to fight for it. If we are willing to fight for it, I think we can have a strong agriculture and a stronger future and most importantly a strong government of, by and for the people.

#### Questions:

Board Member Adan Ortega stated that he had read Tom Freedmen's book the "Flat World" and one of the most ignored charters is the last one where he talked about choices. Can we afford to have a flattening of the world with regard to cultural values? Should that be subject to the efficiencies that are brought upon me by the media? Another factor he raises is food supply in an age when food supply can be threatened by terrorism and so forth. Can we afford to globalize every commodity? His question to Mr. Panetta, "What's your reflection on how to make choices in terms of agricultural commodities that can be strategically important for the health of the nation verses a more competitive paradigm that I think we've wanted to have and at the end of the day we want to have whatever suits us, so where's the balance?"

Mr. Panetta responded by saying, "I think that has always been the challenge throughout the years that we've been dealing with agricultural issues. How do we protect farmers? How do we protect our own security? And, at the same time engage in competition with the rest of the world. I think we have to be smart enough to be able to provide that. If you look at industries in this country, what we have done is weakened ourselves in terms of poor industries in this country, whether its steel or the development of textiles, we've lost a lot of those industries to the rest of the world. Because of a global world and cheaper labor, we've become dependent on that and in many ways that hurts us in terms of our own security. I think we need to maintain some of these industries from a national security point of view. If we have to engage in confrontation in the world at some point in the future, we have got to have the industries that support our national security. I think this is true for agriculture as well. We have to be willing to protect the crops that are important to this country. We cannot surrender a lot of these important crops to other countries and become totally dependent upon them because this impacts us. The reason I get concerned about running high deficits in this country. We can borrow money from Japan, China, and Korea; the reality is that now over 50% of our debt is owned by these countries. If we have to make tough decisions about fiscal issues in these counties, they have a lot of leverage on us. If we have to make foreign policy decisions that may impact these countries, they have a lot of leverage by virtue of owning that debt. It concerns me that if we become more and more dependent and lose a lot of crops to other parts of the world that we become that much more subject to leveraging by those countries. We lose some of the flexibility we are going to need to make the right decisions. So, my view is that this is a balance and so for that reason, I am not for one that believes you have to totally eliminate all support prices, I think you need some support prices in order to maintain some of those areas. I also think it can be done in a way that can develop agreements with the rest of the world that says let's reduce some of these tariff areas, we can provide some support to those crops that need it, but we are going to open up those



markets. I think we can do this and I don't think it's a choice of one or the other, but it is a challenge from a negotiation point of view."

President Montna commented, the political will to have a meaningful WTO round is very difficult. This free trade we keep talking about is frustrating and I am pleased that you cited it because it's imperative that we get this round and get these reductions. Do you think there is the political will to do it, not only here, but also in the European Union and so forth?

Mr. Panetta—"Yes, I believe it because frankly they don't have a choice. Politically, you can play this game for a while and everybody can posture, but in the end, you've got to cut a deal and there's no way around that. If you don't, you are going to hurt the very people you are representing. There will be compromises made and it may not be as dramatic as people would hope. My view frankly, you've got to get an agreement because everybody's got to play by the same standards, and if you don't do that than I think we are going to engage in this kind of warfare that will make "Smooth Holly" look like a kid's game. That's the last thing we need in terms of this global role."

## **(6) PRESENTATIONS BY GUEST SPEAKERS**

### ***Panel #1: The status of agriculture's ability to meet strategic needs of the nation.***

#### ***Michael B. Barr, CSPG, President/CEO California Agricultural Leadership Foundation***

Mr. Barr thanked the Board and stated this is a magnificent opportunity. California agriculture is an astonishing success. It leads and feeds the world. Yet, there is something deeper and more profound about California agriculture. Beyond its prodigious bounty, the diversity of commodities, world class food safety and nutrition, and beyond its imitable place, as perhaps the most efficient industry on the planet. What is deeper and most profound is that California agriculture is essential to the solvency of the United States. Underlying the core values of western civilization and thus our nation: freedom, individual responsibility, community, and human rights; we are not created in an urban setting, nor was the defense of those core values disproportionately born by an urban setting; they were created in the country side by farms. So if we call the countryside a green space or open space or agricultural corridor or nexus of the urban world interface, that's fine. I look at it, however, as freedom's space and the strategic reserve of that freedom.

With that in mind, California agriculture has gone through three enormous revolutions: Mechanical, Petrochemical, and the biogenetic, and we are currently in the last stages of the third revolution. We are now entering a fourth revolution and the essence of this, if Tom Freedmen is correct that we now live in a flattened world where the only border is the speed of light, how will California react. What does it mean for policy framing? What does it mean for collaboration within? And, what does it mean for calibration of the astonishing success story of California agriculture.

Lastly, I wonder how other nation's states view us. It is really in the strategic national interests of the border countries that we solve immigration, water issues, environmental issues, and land use issues. I am not sure they wish us well in those regards. The question may arise, then, why is agricultural leadership contemplating such things. I believe it's for two reasons: (1) the faculties who teach in our leadership development

programs (such as Leon Panetta, Dr. Reckmeyer, Steve Randolph, and Dr. Shoumen Data) are engaged in these issues. (2) Agricultural Leadership develops leaders and many are present today. Agricultural Leadership is contemplating these issues of tomorrow because we have a responsibility to somehow forecast the world for future leaders. This is thought leadership and the companion to deed leadership that is our objective for today's program.

***Dr. William J. Reckmeyer, Professor of Leadership & Systems, San Jose University***

There are four main points Dr. Reckmeyer shared with the Board: The first is to underscore what has been said by Leon Panetta and Michael Barr in respect to the significance of agriculture as a strategic asset. Agriculture is an asset of strategic capability that is developed and can be nurtured. It can also be compromised significantly if not paid close attention to. It is one of a number of critical issues facing the country and the world in terms of broader concerns. But, it is not a strategic priority for the country, at least as commonly perceived. The reality for that is that agriculture works so well, consumers don't worry about it.

Agriculture is vital to the liberty and prosperity of the country and to the world as a whole. The deeper message of the world is flat is not about the specific issues but more about the gap between the modern world and the tribal world and the responsibility of those of us who figured this out as a country. Companies and individuals have a responsibility to close the gap to do so in a way that it is a greater good to the world, the country, the state, and agriculture. Agriculture is fundamental to this balance between liberty, prosperity, and security.

Strategic forcing functions are those issues or drivers that affectively shape the future in terms of limited range of options for what can be done. There are a lot of issues and a lot of factors and as a system scientist it is my job is help people look at a whole set of interconnected factors that come to play in very complex situations: political, technical, scientific, or other issues. Few factors are forcing functions, that is, they shape what actually can occur. Two categories should be underscored: geophysical (the natural world) and the two major critical forcing functions in our country and our state and the world are energy and fresh water. A societal forcing function is terrorism that has the kind of rippling effects that result in enormous costs, shaping the ability to be able to address agriculture and other issues in ways that make it a forcing function. Before 911 it was not perceived this way strategically. Technology in all aspects enables us to do things that amplify capabilities that transcend that of previous generations and does not at an exponential rate. Other countries are leapfrogging in the ability to adapt and use these technologies. Terrorism and technology has an enormous impact on the future of agriculture, an impact that should not be ignored when framing policy.

Systemic Insanity Traps (doing the same thing over and over again and expecting different results). The fundamental challenge facing agriculture is one of over fragmentation; the inability to cooperate to develop coherent strategic solutions to compelling issues is the underlying concern.

The strategic framework includes helping stakeholders and learning how to cooperate in more than just the political realm, this requires an integrated framework, an integrated framework for logistics, security, and the science and practice for systems of systems. The challenge is there is some science and practice that is being developed for helping develop coherent and strategic solutions when you have groups of individual stakeholders who have very different points of view and don't have command relationships.

We can spend our time muddling through the future dealing with crisis; or, we need to lead and leadership matters. The challenge is how to exercise the appropriate leadership that balances the interest of agriculture with the interest of the greater good for the country and for the world with the other compelling interests that are on the strategic landscape that needs attention. The responsibility is how do you exercise leadership on behalf of agriculture in such a way that you don't contribute to the tragedy of the commons. This requires integrated strategic leadership.

President Montna expressed the Boards willingness to continue working on integrated strategic leadership and will continue working with Dr. Reckmeyer towards this goal.

***Dr. Steve Randolph, ICAF, National Defense University***

Dr. Randolph thanked the Board for the opportunity to speak and address two very important subjects, American national security and California agriculture. His presentation focused on agriculture in its larger national security perspective. First of all, what makes a nation truly sovereign are three central capabilities: the ability to govern, to defend, and to feed its people. If these capabilities are lost, strategic autonomy is also lost and others gain leverage. Secondly, there is a critical natural resource with roots that extend into the deepest heart of our society and culture and in the decades to come this value is going to increase and become even more important. Thirdly, the primal source of international conflict both directly and indirectly are: greed, search for glory, and interest and there is no greater interest than in feeding the people; and increasing pressures globally with populations rising and food production straining to keep pace over the long run. Americans tend to take for granted our abundance of cheap food, and we forget that for the world as a whole, that is an adventure, it is a triumph to feed the people in many of the nations of the world. What we have then is this huge gap between the issues that are out there, our awareness of them as a nation and these issues project more greatly in the years to come in part to this flattened world that we are getting into.

One dynamic is climate change; there are obviously layers and layers of uncertainty on this issue. First of all, it is still questioned whether its happening, what is causing it, and the larger and more complex question, what are the first, second, and third order of effects. The fourth range of issues associated with that is how do we adapt because Americans have lived a life of agriculture for decades and it is a constant source of change and a judgment to circumstances.

Bio-terrorism is something that has been coming for a while and now it is upon us. It is something that we need to be sensitive to as part of our study on an annual basis. We are funded by the Department of Homeland Security to look at the various pieces of this industry that we touch both on the public and private side and to draw that dotted line across that deep divide between sectors. What we find is a lot of good policy and good understanding of what should be done and a much less developed effort to meet the observed area's needs. Agriculture and the larger dimension of national security is one of the real causes for global unrest in that people have no means of supporting themselves and see no future way to invest themselves into society. An essential element is stabilization and reconstruction missions are central to national security strategy.

Agribusiness and National Security is based at Fort McNair, which is the oldest continually active military institution in the Washington D.C. area. The school is chartered by the chairman of the Joint Chief of Staff and was formed in 1924 after World War I to help understand the problems of that conflict and execute better in future

conflict. The centerpiece of our program is the industry study program that is run each spring. It pulls together national strategy and security studies and in the spring we take these studies to the resource level and address how we support these issues as a nation. The student body consists of variant groups of high level senior staff from international, commercial, and all four military services that provide a very unique blend of perspectives, and that is brought to the industry study program.

The structure of overall study is as follows:

- Seminar and local speakers: classroom preparation for field studies
- Domestic field studies structured to examine three aspects: issues, the value chain, and regional variants in American agriculture
  - Visits conducted in Maryland, Virginia, and Indiana
  - Major domestic travel study area: California
- International field studies: China, Brazil, comparative and global understanding.

Themes traversed each year:

- Awareness of unique system and capabilities in American agriculture, especially evident given overseas studies, and the nation's general lack of understanding of the unique qualities and capabilities we possess in this sector
- Complexity and sensitivity of this system of system, and its extreme decentralization in policy making and conduct
- Complex blend of issues that must be balanced to sustain this system for the long run, and the long list of "critical enablers" that are under pressure
  - Energy and water, land and air
  - Infrastructure, transportation, research, and development
  - Demographics of operators and labor
- Deeply embedded role of government, and importance of balancing interests to sustain this critical asset for the long haul
- From experience in the Department of Defense, importance of creating "conceptual unity" across a fragmented community by a unifying goal or vision, a point toward which all efforts converge, even if there is no common commander, essential in a flat and fast-moving world.

Agribusiness is a bedrock national security interest, nothing is more important to this nation. Within the national perspective, California agriculture offers unique capabilities; it is a strategic asset and an entity to preserve. As the populations grow and expectations grow its importance is going to grow along with us. As the world grows it is going to increase demands on the global system and what happens when globalization goes wrong? Having leadership and vision to drive this will gain a measure of conceptual unity.

President Montna requested that the panel members expand on the strategic value of agriculture, California's dominance in that role, and to provide guidance to the Board on what actions to be taken to further that issue.

Dr. Reckmeyer underscored a couple of items: Some of the work on Systems of Systems grew out of the inability of the Department of Defense to actually implement jointness. There is more than just muddling through, there is a scientific base that can actually integrate technology and organizations, etc.

A couple of points with guidance for agriculture:

1. Most of the discussions with respect to agriculture and Freedmen's book are largely on the economic aspects, as if globalization is about primarily economic.
2. We would argue that globalization has to do with everything human that is being interconnected: cultural, economic, and linguistic. But, one thing that is largely missing from all the discussions is talking from two different worlds. For the economist globalization it is all about economics with some cultural reference and international concerns. For security it is all about terrorism and security issues with very little economic discussions.
3. When dealing with agriculture issues there must be a sense of the security context, not just for protecting and advancing agriculture, but also for the competing interest of distribution.
4. It is not the production that is critical with respect to the use and the importance of agriculture in the world; it is the ability to deliver that produce and the results to the people that need it. It is largely a distribution problem now. There is plenty of food and water to feed the world; however, distributing it is a fundamental problem. Agriculture needs to stress the integration between agriculture production and distribution with economic and security issues.
5. Agriculture needs to figure out how to help and interact with security people for the distribution channels and the importance of global logistics networks for the distributions of goods and services and included in that is not only physical infrastructure, but also the trade agreement infrastructure. If we can't ship goods, it would have a significant impact, yet no one is talking about this.

President Montna commented that is it the perception of this need that is considered a low priority making it difficult to get appropriate funding.

Dr. Randolph indicated the key themes that apply go beyond economic interests to the health of our nation and society. We tend to focus a lot on the near term and we need to project out to this world. Forty years from now, people are still going to need to eat and somebody is going to have to produce the food necessary to feed them. There is no place better suited to do that than California. If we look at what we have now it is a marvelous machine. If this infrastructure were dismantled, it could not be replaced anywhere else in the world. California is unique and not replicable because the issues of climate, topography, infrastructure, and investment.

Board Member Reg Gomes complimented those who put the program together; it brings agriculture to us in a perspective that we too often lose. The emphasis of both Professor Reckmeyer and Colonel Randolph on the Systems of Systems and bringing together not only who we are and what we do, but the importance of interaction with other people who are doing important and different things and frequently know little and think less about who we are. The example Professor Reckmeyer gave regarding the physical Point of Terminal Island, points out an important component of the transportation industry and its relationship to agriculture. There are cultural and social studies within themselves that impact Systems of Systems. We have to continue to do the research, to gather the science, and to have the appropriate information on all these fronts so we can put it together to make decisions.

Board Member Drue Brown piggybacked on two points on the construct of information gathering. In terms of world history, agriculture has always been a strategic resource, but the construct I am referring to is that agriculture should become more intellectual and the discussions and engagement around this subject is very exciting in terms of do-ability and

containing this information. Is there urgency for a construct where a think tank mechanism can be developed for all this intellectual awareness when you have this time frame to allow this to come together and to develop strategies? When do we begin to dedicate resources from the National and State level to harness this information?

Leon Panetta responded by saying the problem is going to take a very different mindset from that of the last half-century. Most of the emphasis we've had in this country is basically operating as an individual, operating as a separate business, competing with others, and we basically stress that. Now, we have a situation in Washington where there is a partisan divide and people don't work together in order to solve problems. In the world, we've created divisions in terms of our ability to work with one another. To change this mindset and ultimately arrive at a consensus is not going to happen easily; it is going to have to be mandated and will take leadership and direction at its highest level.

Secretary Kawamura reiterated by saying this is collaboration for the greater good and the converging of ideas. This group has talked about this a lot; parallel efforts and parallel lines never meet. We have to try to create a vision. Regarding the different forcing functions out there, I would like to see if it's possible to include this crisis of invasive species at the same level of concern as fresh water and energy. An example of this is the Bird Flu epidemic and its international infrastructure impact. Invasive species ranks in priority equal to water and energy.

Adan Ortega is intrigued by the concept of agriculture as a biological discipline. There is plenty of data available from an environmental and economic standpoint. Each exist within their own realm. What never happens is that it never adds up to the human element which is what has been commonly called agriculture capacity and there is no on-going tally of where we are with respect to our agricultural capacity. As a tool, who would be a credible agent (outside of agriculture) that could give us an agriculture capacity report card?

Leon Panetta replied by saying this could be housed at the National Science Foundation (NSF) that basically does this kind of research. Preferably, it should be housed at the White House level since this is important to our national security. Then, the key policy maker, the President and those working in the White House could actually implement changes and draw attention to it.

Professor Reckmeyer indicated one of the biggest issues is that there is no single forum in the country where you have a real dialogue for a strategic radar screen. What is needed is a real National Strategy Council, reportable to the President and who is responsible for all the major issues that are strategically important to the country as one group dedicated to avoiding the tragedy of the commons.

***Panel #2: The complexities of an integrated framework that includes outside stakeholders, and technology.***

***Ashley Boren, Sustainable Conservation; and Member of the CA State Board of Food & Agriculture***

Ms. Boren indicated that agriculture provides many important environmental benefits, from habitat, open space, and water quality. It is by far the preferable land use. Conservation is good for agriculture and provides clean water and healthy soils.

Ms. Boren highlighted the five key strategies of sustainable conservation:

1. We need to actively promote management practices and technologies that are economically and environmentally sustainable. This is not to dictate practices but to provide a suite of practices and technologies farmers can choose from. One example is conservation tillage that leaves the soil mostly undisturbed allowing residue from previous crop to stay on the surface. From an environmental perspective this is a good way to protect the soil from erosion and dust formation. With fewer tractor passes, less fuel is used by 50%, and farmers actually save money using conservation tillage.
2. We are working to make our regulatory system work smarter. Environmental regulations are impacting agriculture and these regulations focus more on what we don't want to happen instead of what we want to happen. The regulatory authority is divided between many different agencies. These agencies don't coordinate and work together causing redundancy in what is required of producers, and worse contradictory requirements and directions making it impossible to comply. One success story is the Erosion Control and Restoration Program that is being implemented in approximately eighteen counties. We are also working on solutions that are pro-active before it is determined that regulation is needed. They are also working with the horticulture industry to prevent the sale of plants that are known to be invasive.
3. We are working to develop different levels of revenue streams for agricultural producers. Agriculture needs to be striving economically to starve off the development pressures. The potential for biofuels is a great example of this. Methane from manure and landfills can be used, as fuel by producers and this is something we support for its economic impact.
4. The fourth strategy acknowledges that some of the management practices and technologies that agriculture will need to adopt to comply with the new and increasing environmental regulations are not going to make sense from a strict business point of view. They are going to cost money that will not be recouped. Society has to figure out a way to help pay for that.
5. The public just doesn't get how important agriculture is. We need to raise the visibility of California agriculture.

President Montna commented that Secretary Kawamura and the Administration is committed to working on these regulatory issues.

***Emily Green, Staff Writer, Los Angeles Times***

Emily Green has spent the majority of her adult life reporting on food and agriculture for a number of newspapers in the United Kingdom and later in California. She became extremely worried about the speed in which we were heading towards ruin, both in the UK and in California. So, she began a school program. Through the BSE crisis in Europe and the Foot and Mouth crisis here, she became acutely aware that we lacked a coherent system of outright to the public and also that government was not listening to its best experts.

Upon moving to Los Angeles from the UK, she was astonished to discover that one of our local schools was quite literally four acres of asphalt. Ironically, this is a 102-year-old school that held one of the first farming programs at the turn of the last century. It was designed to help Americans out-farm the Japanese. By the time she got there it had 1,400 kids on four tracks in a sea of asphalt. This was the lowest performing school in the Los Angeles School District. We are only as strong as our weakest link and our kids are not environmentally or food literate. As a reporter of the LA Times and observing the

24<sup>th</sup> Street School, I became very enthused by Delane Easton's idea of a garden in every school. I visited hundreds of schools and what I found was the raised boxed system rather than a landscape of environmental based education. A new approach was to address the physical infrastructure to make these programs work so they don't end up abandoned. She talked to area chefs, the local community, to teachers, families, and the children to determine what they like to eat and would be willing to grow. She also wanted to ensure it was culturally appropriate because many school gardens fail because, for example, you have Latinos confronted with Russian Cabbage and this wasn't a good mix. Finally, the district signed off on a plan that was a sweeping greening plan. This campus is undergoing demolition and is being rebuilt. Funds were provided by the Trust for Public Land. It is vital to subject our kids into becoming environmentally literate. People learn from practical intelligence and not by memory. Installing the gardens at schools is expensive to maintain but it is important for the children. She encourages us to not only think about the outside enemy but about our internal young generation. America is not going to be environmentally healthy and viable if we do not take a look at our children. Her group is trying to find the most effective model and spread it throughout the schools. These school gardens are important to our future.

***Dr. Shoumen Palit Austin Datta, Research Scientist, Engineering Systems Division, School of Engineering, MIT***

Board Member Adan Ortega introduced Dr. Datta who addressed the Board on ways technology is playing out in Agriculture and where opportunities may be missing. In terms of a tool, what can technology bring to the various components of agriculture such as commodities, commerce, localization, and innovation? There are a few elements of technology that agriculture can use within these domains.

- (1) Real time track and trace is valuable for security purposes to determine the origin of goods and where they are going. All industries are looking into using radio frequency as identification. This is not new technology; it just needs to be applied where applicable and where it delivers a value to agriculture.
  - a. One issue is the export of beef and poultry from countries (an example is Japan) and we know the count of bacteria or infectious agents. We have the technology to use biomarkers to deliver that sort of information.
- (2) Systems Interoperability is extremely generic. However, there are too many agricultural systems or systems used by agricultural domains that cannot talk to each other and because of this information and/or data are lost.
- (3) Risk analysis for security purposes need an understanding of where the risk is and how to target these risks. There are technology applications used in other industries, especially in finance, that can provide this tool in order to determine agricultural risks.
- (4) There is a great deal of environmental concern about amounts of pollutants, such as gases and ammonias in soil; these can be monitored by sensors to determine the quality of soils. Sensors are commonly used and adaptable to agricultural needs.
- (5) Most importantly, are the companies involved in agriculture and the ability for these companies to be responsible to the Oxley Act. There are three sections of the Act to note, referring to anything movable: Sections 401, 404, and 409. In agricultural export and import business, these three sections actually impact the supply chain. It is quite specific how supply chain analysis, supply chain risks, and supply chain data is very well connected.

The interface between technology and agriculture as a biological discipline will flourish economically depending on how we use it. Technology by itself is idiotic but when used properly it can be of great value. As a primary domain of agriculture, innovation is



related to the use of new tools and technology to drive it as an economic growth engine and this is the function of technology.

Secretary Kawamura indicated that he would add one more domain, which is community. Dr. Datta views community as a fabric woven into the four domains of agriculture because all of the domains are done by and for the people.

The Board expressed gratitude to Dr. Datta and asked that he continue to remain involved in this team along with Michael Barr.

***Development of agricultural workforce capacity, Luawanna Hallstrom, Harry Singh & Sons; and Member of the California State Board of Food and Agriculture.***

Ms. Hallstrom has been involved in working with immigration and workforce issues for the past twenty years. She indicated it has been interesting to see that not many people want to hear about immigration since it is such a divisive issue. We've seen leadership sweep the issue under the carpet which is why we are in the mess we find ourselves in. She is inspired by today's discussion of how fundamentally agriculture is critical and important to national security.

We have become a society that acts by crisis and this is what seems to create action today. Ms. Hallstrom's effort is to build bridges and as divisive as immigration and a sensible agriculture workforce is, it is also an area where bridges can be built.

Surety of supply is the most important issue when it comes to our ability to feed and clothe Americans. Agriculture is clearly the strategic resource to maintaining such a directive. Agriculture as a strategic resource is being challenged because we do not have the workforce. As a post 911 country, we fear terrorism, we fear many within our borders, even though they have been providing to our nation. Farmers and Ranchers are no less concerned about national security, but the fact is agriculture has a basic need for a foreign-born workforce. Few Americans are available or willing to work the fields and crops that feed Americans and our neighbors around the world. Instead they aspire for upward mobility. Our workforce is the most basic and critical need agriculture faces next to water. This workforce is the engine that drives our business and allows us to continue providing reliable, domestic food source within our borders. With enforcement only policy and no comprehensive reform, there will be no work force for agriculture. Sound policy will allow us to focus our resources on those that threaten our well being instead of distracting us with those who merely come here to earn an honest wage supporting their families and our economic interests. Immigration reform that addresses the needs of agriculture as well as homeland security will provide legal mechanisms that are flexible to support the many faces of agriculture, while at the same time strengthening our movement towards higher national security efforts. Sound reform policy that takes to heart how things work in the real world will identify who is in our country, why, and their qualification for entry into our country to do the work so desperately needed. A stable work force to harvest our domestic food supply is critical to maintaining our reliable U.S. food supply, and will prevent a significant dependence on foreign sources of food.

We all need to realize that ultimately our goal is to implement sensible and realistic immigration policies that benefit the people, the economy and the security of our nation

***Panel #3: Proposals for development of a policy framework that considers the strategic role of agriculture.***

***Adan Ortega, GCG Rose & Kindel; and Member of the California State Board of Food & Agriculture.***

Mr. Ortega stated, what do we mean by agriculture as a strategic resource? Strategic resources are imperative for the survival of our national character and sovereignty. Clean water, clean air, energy, food and fiber as strategic resources are the foundation of an economy with opportunity, good public health, and a decent overall quality of life. The goal of agriculture as a resource framework will encourage adaptive measures through technology, regulation and education enabling the maintenance of enough open space for agricultural purposes to feed and clothe each American as well as providing alternative energy resources while protecting clean water, clean air, and wildlife.

A Tiered Policy Structure Straw-man approach will start the dialogue to see agriculture as a strategic resource:

<b>Tier 1:</b>	<b>Crops that are essential for national security defined in terms of providing the basic nutritional and energy needs of the country</b>
Challenges-	
Funding:	Promote public investments rather than subsidies.
Security:	Encourage geographic diversity where possible because of added value of alternative source energy production.
<b>Tier 2:</b>	<b>High value crops that make the availability of open space possible.</b>
Challenges-	
Funding:	Local tax structures and land use practices make it more attractive to convert land to retail and residential uses.
Regulations:	Regulations discourage the maintenance of open space for farming and replaces agricultural environmental compliance issues with urban sources of the same challenges to protect clean air and clean water.
Public:	Public sentiments for affordable housing and ignorance of agriculture.
Education:	Declining pool of professionals able to manage agricultural operations.
<b>Tier 3:</b>	<b>Urban capacity to convert lots to community gardens to green cities and raise awareness and encourage the development of professional training for agricultural and natural resource careers.</b>
Challenges-	
Funding:	Urban gardens are seen as hobby centers and do not receive funding priority in schools and parks.
Partnerships:	Agricultural school garden networks and urban garden networks do not coordinate or share resources.
Security:	Unacknowledged potential for providing “back-up” strategies for overcoming challenges in the food supply chain,

***Graham Chisholm, Audubon California***

Mr. Chisholm grew up in Nebraska and saw how the agricultural crisis of the early 1980's had a significant impact on people's lives. He indicated the most important issue that the environmental community and the conservation community should be thinking about here in California is the future of agriculture. In terms of land use and its importance for wildlife and other resources, there is perhaps no greater threat than the loss of economic sustainability through the land uses. Clearly the role of agriculture has shifted dramatically politically, economically, and culturally. In many ways, as we become a more urban society and we see the raise of the animal welfare movement and the environmental movement; agriculture is facing a tremendous threat to its future. It also creates a hope and opportunity for agriculture to think about how to ultimately take hold of that agenda and somehow reposition agriculture in the United States and certainly here in California. In many ways, agriculture in the 1970s and 80s was successful in defining the environmental agenda and what happened is the environmental regulations complicated the life of or was very detrimental to agriculture. There has been a slow recognition on part of some of the environmental communities that these types of actions have its limits. There is an effort to develop comprehensive strategies to tackle the issues of endangered species and being much more proactive to help recover species. Agriculture should position itself as a steward of our natural resources, a steward of our soils, land, and air. This is in some ways the challenge for the agricultural community and one the environmental community should wholeheartedly support. Irrigation lands provide a great benefit to the habitat for wildlife. There is tremendous power that agriculture can provide to secure the species. Agriculture should be proactive in encouraging research in the benefit of sustaining wildlife habitat in their farms. Agriculture needs to be the champion in working landscapes. The agricultural and environmental communities need to work together to develop funding streams to allow habitats on peoples farms and what occurs on these farms is providing a broader benefit to society that everyone should be aware of and also urges us to continue to educate our children about agriculture.

***Secretary Chrisman, California Resources Agency***

Secretary Chrisman indicated there is a great deal of pressure to maintain the status quo with regard to the 2007 Farm Bill. We know that status quo does not provide California with the level of support it needs for the agricultural economy, the population, and the environment. From the California perspective, the investments made through the current farm bill are not particularly strategic. In 2007 we have the opportunity to articulate what a farm bill that truly invests in our strategic resources and truly benefits California will look like. Under Secretary Kawamura's leadership, we have heard from a wide variety of groups on their perspectives of what a farm bill should be and what has been noted is that everyone in California has a stake in the farm bill and a greater number of Californians have begin to notice the farm bill and farm policy more than in the past. Urban and rural communities are embracing the idea of agriculture as a strategic resource. This is a new conservation for many of these communities and it's the first time for this kind of dialogue across stakeholder group and the first opportunity for California as a bell weather state with respect to agriculture to speak with one voice.

One area that has been increasingly embraced, and is the cornerstone of agricultural policy, is the area of conservation. The farm bill conservation title provides landowners with funds to achieve their numerous resource management goals. One reason conservation is seen as increasingly important is that society is realizing that aggregate

effect of landowners addressing their environmental goals is that which society is addressing as its overall environmental goals. The farm bill has become the single most important source of resource conservation nationwide, but California receives less than three percent (3%) of those funds. California is 12<sup>th</sup> nationally in terms of dollars it receives every year through the farm bill conservation programs. This is far from a fair share for a state that is the nation's largest agricultural producer; and hardly a fair share for a state that is losing 60 thousand acres of working farm, ranch, and forest lands annually; and hardly a fair share with 308 federally listed and endangered species; and hardly a fair share for a state facing severe flooding if some of its 1600 miles of flood control levees give way. How resource funding is allotted in the next farm bill will help the State address some very critical resource conservation issues and can also help growers to meet their resource management objectives including many of their regulatory requirements.

Many have spoken today on how investments in California agriculture are indeed strategic investments. I think that it is important to recognize that conservation investments are critical components to strategic investment in California's agriculture infrastructure. We need a very strong conservation title that does more to help protect California's working farms and ranches, enhances our wildlife habitat, protect our forest resources, funds efforts to combat invasive species, ensure flood plain protection, water and air quality. In the next farm bill we are going to see some changes such as: protecting our working farm and range land base to expanding and improving upon such programs as the farm and range land protection program, grass land reserve program; improving landowner opportunities to enhance wildlife habitat consistent with agricultural operations through the improvements in the wetlands reserve program and the wildlife habitat incentive programs. The farm bill will provide landowners more opportunities to meet air and water quality objectives, to better address invasive species, and to improve wildlife habitat through an improved environmental quality incentive program. It will improve grower's access to programs through augmented resources and protected assistance including new partnerships, improving flood protection that is complimentary to agricultural operation through a permanent flood plain protection program, and improving a green payment option such as the conservation security program. These are some of the enhancements we been talking about and will be seeking in the conservation title. We are also very interested in a better energy title that supports renewal energy and reduces greenhouse gas emissions. A forestry title that improves forest health, reduces risk to catastrophic wildfires, and enhances the opportunities for currency frustration. These priorities are consistent with the recommendation of the Board in the November 2006 Farm Bill Resolution. They are also consistent with many of the priorities identified by stakeholders. More importantly, they are indeed strategic investments in our agricultural infrastructure that we think will benefit all of California. The Farm Bill discussions are really going to be where a lot of the ideas about the strategic value of our agriculture resources will meet the fiscally constrained budget climate in Washington DC and a foreign policy landscape at the national level that has been dominated by the regions of our country other than the west.

Conservation is part of the message that will resonate with our congressional delegate and beyond. Our objectives are shared by many others and we have the opportunity to build strategic coalitions beyond our bounties to achieve our objectives in the next farm bill. The California Congressional Delegation is beginning to engage in farm bill issues. The effort to enhance Specialty Crops opportunities in a new farm bill also features conservation title improvements. Many are beginning to realize that in order to address

California's needs to invest in the strategic value of California agriculture we need a stronger investment in conservation.

***Secretary Kawamura, CA Dept. of Food and Agriculture***

Secretary Kawamura indicated there are several other Secretaries that took part in the farm bill listening sessions who are as engaged in the farm bill. This discussion today of agriculture as a strategic resource for our country is critically important as 21<sup>st</sup> century agriculturalists. Can we provide an inherently cohesive solution set for the future? In doing so, what will that look like. Certainly the easy goal for this next year would be to have all of our 53 congressional delegates and our two senators all on the same page with the concepts of what California agriculture and U. S. agriculture should look like from the perspective of a farm bill. This is our goal, this is what we are working toward and trying to do outreach and will continue based on these kind of meetings and messaging opportunities.

The task of agriculture in the civilized world is to create nutritional abundance for all and teach the world how to strive. I still believe this to be an important statement and that nutritional abundance is an important part of what a healthy world will look like. Clearly, energy abundance is part of what a striving world will look like. One of the things that has transpired in the last five years is there are some new components to what agriculture can do in a civilized world that leads us to a better place across all nations. What is at stake are the components that can lead to collapse as referenced by Gerald Diamond in the book called "Collapse." He talks about the five different factors that lead civilizations into collapse over the history of mankind: climate change, invading armies / terrorism, dependence on essential imports and collapse of trading, invading species of disease, and depletion of resources. All of these areas are significant, but often outside of our control with the exception of the depletion of resources and how we treat our environment. One thought is not just the depletion of a mineral resource; but also, the depletion of human resource through illness and disease that can become an epidemic and lead to a crisis for collapse.

As we look at where we have to go, a farm bill represents our federal government's historic attempt to address the vulnerabilities that come out of a collapsing civilization. As we move into the 21<sup>st</sup> century, how do we create a plan where agriculture takes a role in a global civilization and become, conceptually, a united agricultural nation, would be like a sleeping giant that will move us into another era.

**(7) COMMENTS FROM THE PUBLIC**

There are no public comments.

**(9) CLOSING COMMENTS AND ADJOURNMENT**

With no further business before the Board, the meeting was adjourned at approximately 2:30 p.m.